



Anti-bribery and Corruption Policy

DFS Furniture PLC



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Version Control

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Related Documents

Document Name	Document Location
Gifts & Hospitality Statement Whistleblowers Policy Employee Code of Conduct Communities and Charitable Giving Policy Supplier Code of Practice	Group People Hub



Anti-bribery and Corruption Policy

1. Policy Statement

- 1.1** The DFS Group is committed to doing business in the right way to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption. Bribery is a crime and can have serious consequences for anyone involved in it.
- 1.2** This policy sets out our approach to preventing bribery. We expect all our employees, suppliers, and partners to comply with this policy and to comply with our Employee Code of Conduct and our Supplier Codes of Practice.
- 1.3** The law relating to Bribery is set out in the Bribery Act 2010. This applies to our conduct at home and abroad. We will also uphold all laws relevant to countering bribery and corruption in every country we operate in.

2. Purpose

2.1 This policy:

- (a)** applies to all colleagues in the DFS Group and our suppliers and subcontractors, and
- (b)** provides information and guidance on how to recognise and deal with bribery and corruption issues.
- (c)** Disciplinary action, up to and including dismissal, may be taken against any colleague who breaches this policy. Contracts with suppliers and subcontractors who breach this policy will be terminated.

3. What is Bribery?

- 3.1** Bribery is offering, promising, giving, or accepting any financial or other advantage to induce the recipient or any other person to act improperly in the performance of their functions or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.
- 3.2** An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.
- 3.3** A person acts **improperly** where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.
- 3.4** Corruption is the abuse of entrusted power or position for private gain.
- 3.5** It is a criminal offence to offer, promise, give, request, or accept a bribe. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine. As an employer, if we fail to prevent bribery, we can face an unlimited fine and damage to our reputation. As an FCA-regulated firm we would also be required to report individuals for any breaches of this policy which give rise to disciplinary action, which could lead to the FCA refusing to authorise an individual to work for a regulated firm in the



future.

3.6 A **third party** means any individual or organisation you come into contact with during the course of your work and includes suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians, and political parties.

3.7 Every colleague working for any Group Company at every level, including directors, officers, agency workers, subcontractors, consultants, business partners, sponsors, or any other person associated with us, wherever located, must comply with this policy and must report any suspicious activity by any colleague or third party through their line manager or through the Whistleblowing procedure.

4. Your Responsibilities

You must **Never**:

(a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received or to reward a business advantage already given;

(b) give or accept a gift or hospitality during any commercial negotiations or tender process if this could be perceived as intended or likely to influence the outcome;

(c) accept a payment, gift, or hospitality from a third party that you know, or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return- all gifts and hospitality must comply with the Gifts and Hospitality Policy and must be recorded in the register and approved by your line manager;

(d) accept hospitality from a third party that is unduly lavish or extravagant under the circumstances;

(e) offer or accept a gift to or from government officials or representatives, politicians or political parties;

(f) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or

(g) engage in any other activity that might lead to a breach of this policy.

To help you identify a possible bribe, examples of different scenarios are set out in the FAQs attached to this policy.

5. Facilitation payments and kickbacks

5.1 We do not make, and will not accept, facilitation payments or “kickbacks” of any kind.

5.2 Facilitation payments, also known as “back-handers” or “grease payments”, are typically small, unofficial payments made to secure or expedite a routine process or procedure (for example, by a government official). They are not common in the UK but are common in some other jurisdictions in which we operate. Facilitation payments are illegal even in countries where such payments are common practice.

5.3 You must avoid any activity that might lead to a facilitation payment or kickback being made by us or



on our behalf or that might suggest that such a payment will be made or accepted.

5.4 If you have any suspicions, concerns, or queries regarding a payment, you should raise these with your line manager.

6. Gifts and Hospitality

6.1 Gifts and Hospitality can play a positive role in building relationships with DFS Group's suppliers and other third parties. However, this activity can also place you and the Company at risk of accusations of bribery.

6.2 This policy allows reasonable and appropriate hospitality, entertainment or gifts given to or received from third parties for the purposes of:

- establishing or maintaining good business relationships;
- improving or maintaining our image or reputation; or
- marketing or presenting our products and/or services effectively.

Gifts and hospitality would only be deemed reasonable and appropriate if:

- it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it is given in our name, not in your name;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is appropriate in the circumstances, taking account of the reason for the gift, its timing, and the value of the gift. For example, in the UK, it is customary for small gifts to be given at Christmas, and
- in the case of a gift, it is given openly, not secretly.

6.3 The offering, giving, and receiving of gifts and hospitality should always be done in full compliance with the Gifts and Hospitality Statement. All gifts and third-party hospitality must be approved by your line manager and recorded in the gifts and hospitality registers.

Any queries regarding whether the acceptance of Gifts or Hospitality is appropriate should be referred to the Group Head of Compliance and Risk.

7. Donations, Sponsorships and Charitable contributions

7.1 We are proud of the charitable work we do to help support the communities where we live and work. However, donations, sponsorships and other charitable contributions can carry a risk as they are a convenient route for a bribe. We must ensure we only donate and sponsor legitimate organisations and individuals; all transactions must be transparent and properly scrutinised.

7.2 We only make charitable donations that are legal and ethical under local laws and practices and in accordance with our Communities and Charitable Giving Policy. No donation must be offered or made without the prior approval of the Chief Executive Officer or Managing Director of each of the Group Companies.

7.3 We do not make contributions to political parties.



8. Due Diligence

- 8.1** We are responsible for preventing bribery by any third party acting on our behalf. It is, therefore particularly important that we know who we are working with and that all our suppliers, subcontractors or agents act in line with our ethics and values. They must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to any third parties on our behalf.
- 8.2** In some areas of the world, bribery is more common than in others. This means that third parties operating in higher bribery risk locations may be more likely to bribe or be bribed than in other areas. We must ensure that we always follow the correct supplier onboarding process for every supplier and that the mandatory contractual clauses relating to bribery are included in every contract. DFS may require suppliers to confirm on an annual basis that they are compliant with the Bribery Act 2010.
- 8.3** All accounts, invoices, and other records relating to dealings with third parties, including suppliers and customers, should be prepared with strict accuracy and completeness. Accounts must not be kept “off-book” to facilitate or conceal improper payments.

9. Your responsibilities

- 9.1** You must ensure that you read, understand, and comply with this policy.
- 9.2** The prevention, detection and reporting of bribery and other forms of corruption is the responsibility of everyone. You are required to avoid any activity that might lead to, or suggest a breach of this policy.
- 9.3** You must notify your manager or contact the Whistleblowing helpline as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future. If you are offered a bribe, or are asked to make one, or if you believe or suspect that any bribery, corruption, or other breach of this policy has occurred or may occur, you must notify your line manager; alternatively, you may report your concerns as soon as possible by contacting the Whistleblowing hotline.
- 9.4** If you are unsure whether a particular act constitutes bribery or corruption, raise it with your manager, or the Group General Counsel & Company Secretary.
- 9.5** If required for your role, you must complete the online training module on anti-bribery and corruption.

10. Our Commitment.

- 10.1** Individuals who refuse to accept or offer a bribe, raise concerns, or report another’s wrongdoing are sometimes worried about possible repercussions. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future.

11. Monitoring and Review

- 11.1** Our zero-tolerance approach to bribery and corruption is communicated to all suppliers, contractors, and business partners at the outset of our business relationship with them and as appropriate thereafter. We will review our processes and procedures annually and will adapt them where necessary.



11.2 In order to ensure that we have 'adequate procedures' in place to prevent bribery, we will carry out bribery and corruption audits, which will include relationships with our key third-party suppliers. The Internal Audit function may review supplier contracts from individual suppliers, including, where applicable, any tender processes.

12. Compliance

12.1 We take a strict approach to breaches of this policy, which will be dealt with in accordance with our Discipline Policy.

12.2 If anyone is found to have breached the policy, disciplinary action may be taken; up to and including dismissal.

12.3 In regard to our suppliers, partners or contractors, a breach of the Code may lead to termination of contract and cancellation of orders. Should any proven breach of the Code be criminal, we will support the appropriate authorities in their prosecutions of the individuals involved, regardless of the jurisdiction.

13. Responsibility for this policy

13.1 The Board of Directors is responsible for this policy. The Company Secretary has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, and dealing with any queries about it.

13.2 Management at all levels is responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training..

13.3 This policy has been approved by the board of directors of DFS Furniture PLC. This policy does not form part of any employee's contract of employment, and we may amend it at any time. This policy will be reviewed at least annually.

Adopted by the Board of DFS Furniture PLC on 17 April 2024



APPENDIX 1 - Frequently Asked Questions

The following is a list of possible red flags scenarios that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. This list is not exhaustive.

(a) One of the ships transporting DFS Sofas is stuck in a port overseas, and we need it urgently. Our Supplier has said the only way it will be released is if we make a small payment to the port official. Can we do it?

No, that would be a facilitation payment, which is a form of bribe and is illegal under UK law. Contact Legal & Compliance.

(b) We urgently need to get a new supplier in place. They are a well-known company, and I don't want to make them go through the due diligence process, as asking them questions about their ethics is uncomfortable. Can I skip the process?

No, It is important that we assess all our suppliers given that they can create criminal liability for the DFS Group. A reputable supplier would expect a customer to carry out due diligence and will be happy to cooperate.

(c) An individual you are working with demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services. Can we agree?

No, this could constitute a bribe.

(d) A supplier has offered me a corporate ticket to a sporting event as a thank-you for selecting them in a recent tender. Can I accept it?

Maybe, if it is in line with the Gifts & Hospitality policy and you had recorded it in the register.

(e) You receive an invoice from a third party that appears to be non-standard or customised; should I accept it?

No, this could indicate corruption.

(f) When carrying out an audit of a third party overseas you return to your hotel room and have found an envelope full of cash with a note from the supplier to say they are looking forward to seeing the report. Is this bribery?

Yes, and you should immediately notify your line manager that the supplier has attempted to bribe you; you have done nothing wrong. The payment cannot be accepted and must be returned to the supplier.

(g) A supplier gives your son a job but makes it clear that, in return, they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.